



**JOINT TESTIMONY OF  
DEBORAH J. SPERO  
U.S. CUSTOMS AND BORDER PROTECTION  
DEPUTY COMMISSIONER  
AND  
GREGORY GIDDENS  
U.S. DEPARTMENT OF HOMELAND SECURITY  
MANAGING EXECUTIVE DIRECTOR,  
SECURE BORDER COORDINATION COUNCIL,  
AND  
U.S. CUSTOMS AND BORDER PROTECTION  
EXECUTIVE DIRECTOR,  
SECURE BORDER INITIATIVE PROGRAM MANAGEMENT OFFICE**

**BEFORE THE U.S. HOUSE OF REPRESENTATIVES  
COMMITTEE ON HOMELAND SECURITY  
SUBCOMMITTEE ON MANAGEMENT, INTEGRATION & OVERSIGHT  
November 15, 2006**

Introduction

Thank you, Mr. Chairman and Members of the Committee, for allowing me to appear before you today. I appreciate the opportunity to discuss the urgent and essential mission and management of the *SBI* contract and how *SBI* fits into the larger comprehensive Department of Homeland Security (DHS) strategy of securing America's borders. My testimony is intended to provide you with the information necessary to conduct your oversight role in this endeavor.

Secure Border Initiative (SBI): The DHS Approach to Comprehensive Border Security

The challenge of securing the Nation's borders is enormous. Border security is a continuum that begins far beyond the borders of the United States and continues to the interior of our country. It must account for the movement of both people and goods and is not successful unless it protects the country from harm while allowing lawful trade and immigration. Border security requires a critical blend of tangible resources, such as personnel, technology, and infrastructure, along with intangible items, such as useful intelligence and strong partnerships with foreign governments.

As you well know, securing the borders of the United States is a Presidential priority. In his May 15, 2006 Address to the Nation, President Bush said: "First, the United States must secure its borders. This is a basic responsibility of a sovereign nation. It is also an urgent requirement of

our national security. Our objective is straightforward: The border should be open to trade and lawful immigration -- and shut to illegal immigrants, as well as criminals, drug dealers, and terrorists. ...We are launching the most technologically advanced border security initiative in American history. We will construct high-tech fences in urban corridors, and build new patrol roads and barriers in rural areas. We will employ motion sensors, infrared cameras, and unmanned aerial vehicles to prevent illegal crossings. America has the best technology in the world, and we will ensure that the Border Patrol has the technology they need to do their job and secure our border.”

The Secure Border Initiative (SBI) is the DHS approach to lead our efforts against cross-border and international activities that threaten border security. This approach recognizes that the border is not merely a physical frontier. Securing it effectively requires attention to processes that begin far outside our borders, occur at the border, and continue within all regions of the United States. SBI will integrate and unify the systems, programs, and policies needed to secure the border and enforce our customs and immigration laws. It is a national effort to transform the border security continuum with the objective to disrupt, dismantle, and deter all cross-border crime and balance legitimate travel and trade into and out of the United States.

While SBI is a Department-wide priority and entity, my testimony today will only discuss the U.S. Customs and Border Protection’s role and the SBI.net program.

#### CBP Overview

U.S. Customs and Border Protection (CBP) is the executive agent for the contracting and implementation of *SBI.net*. CBP acts as the guardian of our Nation’s borders, safeguarding the homeland against the entry of terrorists and the instruments of terrorism and enforcing the laws of the United States while fostering the Nation’s economic security through lawful travel and trade. Within CBP’s larger mission, the Border Patrol’s time-honored duty of interdicting illegal aliens and drugs and those who attempt to smuggle them across our borders between the ports of entry remains a priority. The nexus between this traditional role and our post-September 11th mission is clear: terrorists and violent criminals may exploit smuggling routes used by migrants to enter the United States illegally and do us harm. Reducing illegal entries across our borders is now more than ever a matter of national security.

To secure operational control of our borders, President Bush announced a plan to increase the number of Border Patrol Agents by 6,000 by the end of 2008. We are grateful that the 2006 Supplemental and 2007 DHS Appropriations have provided 2,500 agents as part of this plan. This plan, when completed, will bring the total number of Border Patrol Agents to over 18,000, doubling the number of agents since the President took office in 2001. These additional agents will serve as a tremendous resource in combating border violence and the organizations that prey on innocent people on both sides of the border.

There is no stretch of border in the United States that can be considered completely inaccessible or lacking in the potential to provide an entry point for a terrorist or terrorist weapon. Stretches of border that in the past were thought to be impenetrable, or at least highly unlikely locations for entry into the United States, have in recent years become active illegal entry corridors as other

routes have been made less accessible to smugglers. This vulnerability in the Nation's borders must be accounted for when determining future infrastructure requirements.

#### SBI<sup>net</sup> Acquisition Overview

As part of the comprehensive DHS solution for border security, CBP will use the SBI<sup>net</sup> contract to acquire, deploy, and sustain the technology and tactical infrastructure necessary to achieve control at and between ports of entry. The SBI<sup>net</sup> Program incorporates acquisition best practices and lessons learned from previous border technology procurements to provide the most cost and operationally effective solution for securing the border. CBP selected an indefinite delivery, indefinite quantity (IDIQ) contract vehicle because the vastly different terrain, threats, and evolving nature of the operational environment require a solution that is flexible, adaptable, and tailored to specific needs.

The SBI<sup>net</sup> acquisition was conducted using full and open competition and resulted in a performance-based IDIQ contract. Several large businesses participated in the competition, submitting proposals that detailed the partnering relationships they intended to utilize to meet the Government's program objectives and that provided solutions to securing the borders. The award of the SBI<sup>net</sup> contract to Boeing was announced on September 21, 2006.

The SBI<sup>net</sup> contract has a base period of three years and three one-year option periods for a total of six years. The Government's minimum obligation under the contract is \$2 million over the term of the contract. The Government's maximum obligation is the full panoply of supplies and services necessary to provide 6,000 miles of secure border. The supplies and services required for this integration effort are, for the most part, commercially available. Major components consist of integration services, sensors, communication technologies and equipment, command and control systems and subsystems, and infrastructure and response capabilities.

The SBI<sup>net</sup> contract supports different contractual agreements due to the wide range of tasks to be performed. This allows DHS to structure the acquisition into discrete, workable phases, implemented through task and delivery orders, without committing the Government to acquire additional capability from the SBI<sup>net</sup> integration contractor. This approach will provide the greatest amount of flexibility to respond to ever-changing conditions and provide the best protection for the Government.

Further, the SBI<sup>net</sup> contract allows DHS to use other contract vehicles for the goods and services required for the SBI<sup>net</sup> Program. Thus, the Government reserves the right to compete some SBI<sup>net</sup> requirements through the use of other contract vehicles or methods when it is in the best interest of the Government. This includes the right to use other DHS contracts or Government-wide acquisition contracts, as appropriate. All such requirements will be carefully reviewed for small business set-aside potential.

#### Accountability

Drawing from previous experience, CBP used the IDIQ contract structure to select the company that offered the best overall strategy and value to the Government for SBI<sup>net</sup> while allowing direct government oversight and decision-making authority to oversee implementation. The technical proposals submitted by each company were required to include:

- Overall concept of operations for the *SBI*net solution.
- Quality assurance plan, measures, and metrics for the overall concept, as well as those that will apply to task orders/individual deliverables.
- Detailed management plan, including a defined conflict of interest mitigation plan.
- Detailed subcontracting plan.
- Past Performance information.
- Application of the concept, from both technical and cost perspectives, to the Tucson Sector.
- Differences in the application of the solution to the Swanton Sector.
- Defined deliverable to award with the master contract.

To ensure a clear scope for the over-arching *SBI*net contract, CBP selected stable top-level requirements, and we believe that the selection of the Boeing proposal validates the approach for acquiring a low-risk technological solution. The requirements for the *SBI*net solution are:

- Detect an entry when it occurs;
- Identify what the entry is;
- Classify its level of threat (who the entrant is, what the entrant is doing, how many, etc.); and
- Respond effectively and efficiently to the entry, bringing the situation to an appropriate law enforcement resolution.

These requirements are enduring and fundamental to the task of securing the border at and between ports of entry.

Additionally, the Government will evaluate each task order with separate measures and metrics. CBP will negotiate specific technical, operational, and performance requirements for each subcontract and delivery task order. This approach to task order management provides CBP greater visibility into the overall success of the *SBI*net solution, not only from a budget and schedule perspective, but most importantly from a requirements perspective. CBP will employ Make/Buy decision processes, to include evaluations of alternatives and cost, prior to awarding delivery task orders to ensure that the Government is receiving optimal value and that mission requirements are met. Once under contract, each delivery task order will be monitored with accredited Earned Value Measurement processes and will have a qualified and accountable Project Manager.

#### *SBI*net Oversight and Management

DHS and CBP believe that strong program management and contract oversight will ensure successful execution of *SBI*net. As part of the aforementioned lessons learned from a past acquisition program, CBP will manage the *SBI*net in-house for greater connectivity to the operators and control through direct oversight. CBP has established a robust program management structure to oversee the successful implementation of the solution and is rapidly building upon this foundation. The *SBI*net project team includes seasoned certified program managers and senior contract specialists. The DHS Joint Requirements Council and Investment Review Board will oversee deployment of the system throughout its life cycle.

As is appropriate with an acquisition of this scope, value, and importance, the DHS Office of the Inspector General (OIG) has already begun evaluating *SBI<sub>net</sub>* and offering recommendations. Independent insight is essential for making continuous progress in improvements to program structure and management. OIG insight is helpful in identifying risks inherent to programs where there simply is no risk-free approach and in managing those risks accordingly. The recommendations received from OIG to date have provided useful and collaborative improvements in *SBI<sub>net</sub>* program management and contract execution. Attention to enhancing organizational capacity, increasing requirement definition tailored to specific task orders as the program matures, and diligent oversight of cost, schedule, and performance are essential elements of program management embraced by DHS and CBP.

In conjunction with these OIG recommendations, CBP is pursuing the following areas of improvements to strengthen government program management and contractor oversight:

- Defining Program Management Structure;
- Providing Appropriate Staffing and Human Capital;
- Enhancing Definition of Operational Requirements; and
- Measuring Contractor Performance.

**Defining Program Management Structure:** The *SBI<sub>net</sub>* Program is finalizing a Program Management Plan (PMP) to apply a plan of action with performance milestones so as to develop the capacity to manage *SBI<sub>net</sub>*, administer its contracts and agreements, and ensure effective oversight and implementation. The PMP will serve as the overall plan for managing the *SBI<sub>net</sub>* Program. Included within the PMP are delineations of Program Organization and Responsibilities, explanation of the CBP's Program and Technical Management Approach, and Key Program Management Processes.

To solidify its capacity to manage the *SBI<sub>net</sub>* Program and administer its contracts and agreements, CBP is employing best practices in project management. The organizational structure set up by CBP allows for the concentration of subject-matter expertise into appropriate directorates, creating a ready resource pool to staff Integrated Project Teams (IPTs) to execute projects under the *SBI<sub>net</sub>* Program.

IPTs are cross-functional teams under the leadership of an accountable government manager. IPTs use the tenets of integrated process and product development to get the right people and skills involved in managing a project. Each IPT in the *SBI<sub>net</sub>* Program will be formed with appropriate representatives to ensure a common understanding of the activities involved and to secure input from all relevant entities.

As CBP carries out *SBI<sub>net</sub>*, other organizations within DHS will carry out additional elements of the SBI. There are specific program areas within SBI that are the responsibility of CBP, Immigration and Customs Enforcement (ICE), and Citizenship and Immigration Services (CIS). DHS has established a Secure Border Initiative Coordination Council to work with the PMOs to ensure consistency and alignment of program elements and to provide adequate Departmental oversight.

SBI*net* is developing an SBI*net* Program Plan that describes and documents the work breakdown structure, Integrated Master Schedule, and the program budget. SBI*net* will establish an SBI*net* Process Library that will contain management processes associated with program and project management. Examples include task order initiation processes, deliverable review processes, design review processes, and IPT Charters. An Office Management Plan will be developed to contain the administrative processes and procedures associated with managing a large office, such as new employee orientation, supply ordering, etc.

**Providing Appropriate Staffing and Human Capital:** CBP commissioned an independent third-party study through the Homeland Security Institute (HSI) to assess the SBI*net* Program's staffing and human capital needs. Leveraging the results of the HSI staffing study, the PMO has developed a FY 2007 staffing plan. This staffing plan includes an additional 169 staff positions (96 government and 85 contractors), bringing the total PMO staff to 270.

The CBP Commissioner has established an Executive Steering Committee (ESC) that meets as needed to discuss program progress against SBI*net* goals and objectives. The PMO will provide periodic updates to both CBP and DHS leadership.

**Enhancing Definition of Operational Requirements:** To continue definition of the top-level requirements provided during the contract solicitation, the PMO developed a Mission Needs Statement that was approved on October 1, 2006. The Mission Needs Statement identifies capability gaps and certain needs of the SBI*net* Program.

The SBI*net* Program completed a comprehensive requirements workshop with CBP operational stakeholders on October 13, 2006. The resulting Operational Requirements Document (ORD) will be finalized and approved by January 19, 2007. This document will be used to derive contract requirements and establish the appropriate performance metrics for each future task order.

In addition to the ORD, a System Engineering Management Plan (SEMP) will be developed to outline the technical management and processes. Testing will include an Independent Validation and Verification (IV&V) contractor who will test software and systems development. Test and Evaluation will also include Operational Test and Evaluation (OT&E), using an independent government organization to evaluate performance, effectiveness, and operational suitability of the installed solution.

**Measuring Contractor Performance:** The plan of action and milestones (POA&M) currently in development will include measurable and meaningful performance metrics and controls. Additionally, the SBI*net* Program will use Earned Value Management (EVM) as a technique to integrate cost, schedule, and technical accomplishments for SBI*net* task orders where appropriate. EVM is a common method for measuring performance, reporting and analyzing project status, and comparing actual costs and accomplishments to a baseline. EVM serves as an early warning indicator for effective management decisions and corrective actions. It supports effective "what-if," tradeoff and trend analyses; helps to highlight potential risks; and provides more accurate forecasts of cost and schedule performance. Using EVM on the SBI*net* Program

satisfies the acquisition requirements of OMB Circular A-11, Part 3, and the Government Performance and Results Act of 1993 GPRA.

Issues related to EVM will be addressed and resolved, as appropriate, with guidance and support from the CBP Commissioner and Chief Procurement Officer (CPO). A status of EVM issues will be provided to the CBP Commissioner and CPO on a monthly basis.

Boeing will provide regular implementation status reports and reviews on the *SBI*net task orders. Specific requirements for reports and reviews will be detailed in the individual task orders and may include cost performance reports; schedule and planning reports and reviews; technical performance reports and reviews; management reports and reviews; Integrated Baseline Reviews; and project cost estimates.

CBP is currently working with Boeing Corporation to prepare the POA&M. It will be reviewed as recommended by the CBP Commissioner and the CPO, and recommended actions will be instituted and tracked to completion. To ensure continued attention and adequate provision of resources, the PMO will provide periodic updates to both CBP and DHS CPO leadership.

Monthly Program Management Reviews (PMRs), which include the status of risks, action items and issues, key milestones, budget, and deliverables, will be provided to the CBP Commissioner and CPO monthly. The PMRs will provide a forum to facilitate timely decision-making by presenting leadership with a thorough status of the *SBI*net Program while raising issues that need management attention.

The PMO will lead task order working-level meetings with Boeing on a regular basis to discuss and resolve project-level status and issues. These reviews will focus on assessing performance, facilitating the *SBI*net Integrator's work efforts, and addressing issues requiring resolution by either party.

*SBI*net project managers will be responsible for assessing and reporting project status and the likelihood of meeting the scope, cost, schedule, and technical performance objectives through weekly reports to the *SBI*net Program Manager, PMO Directors, and other project stakeholders on a weekly basis. Status reporting will begin as soon as a new project is initiated and will end upon project completion.

Without a dramatic shift in the way that we as a Nation protect our land borders, we leave ourselves and our citizens vulnerable. We recognize the challenges that lie ahead. By defending our borders with the latest technology and infrastructure and additional well-trained personnel, and by maintaining a vigilant interior enforcement of our Nation's immigration laws, we will fulfill our mission of protecting our country and its citizens.



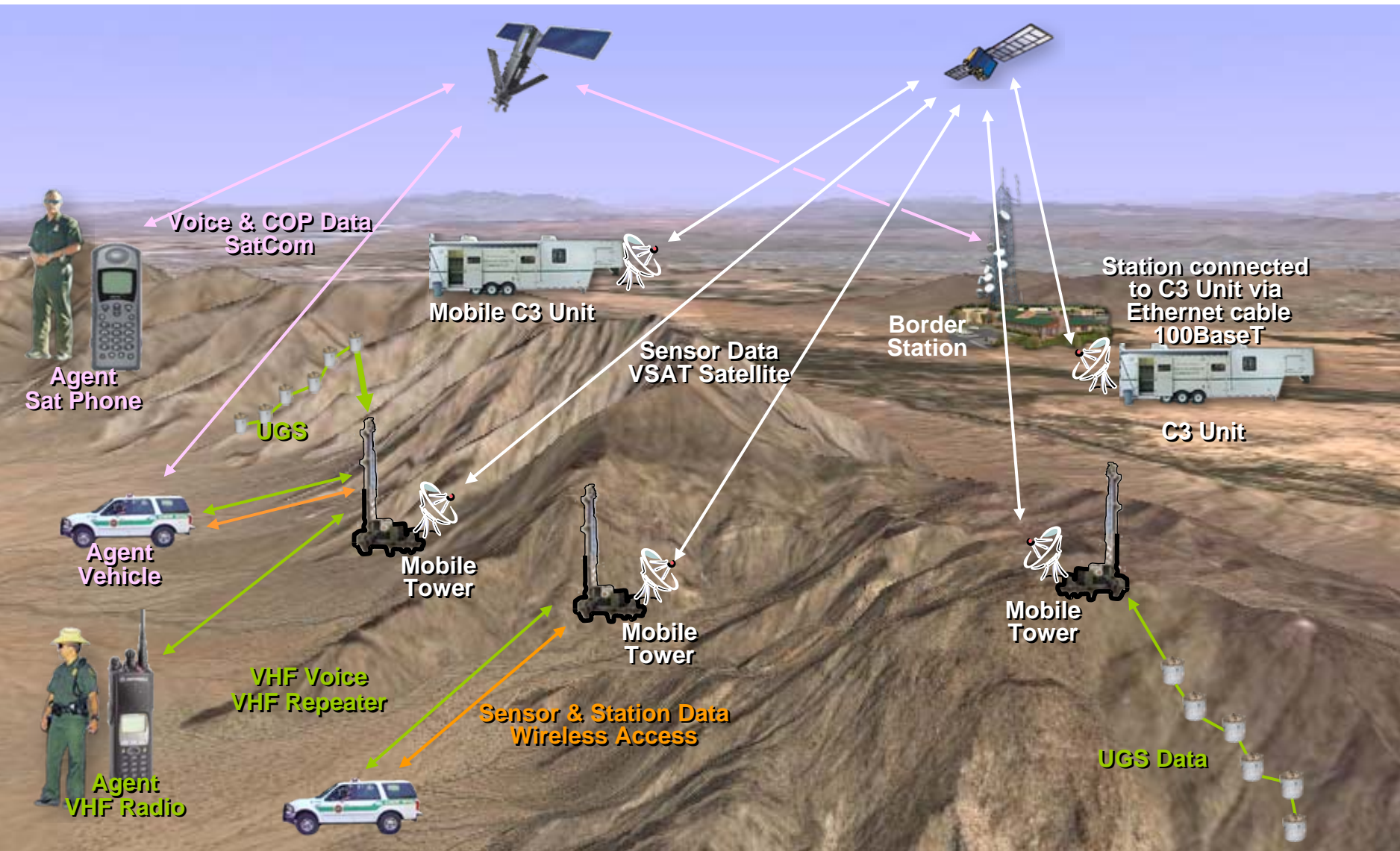
# Agent Focused Solution







# Mobile Systems Communications



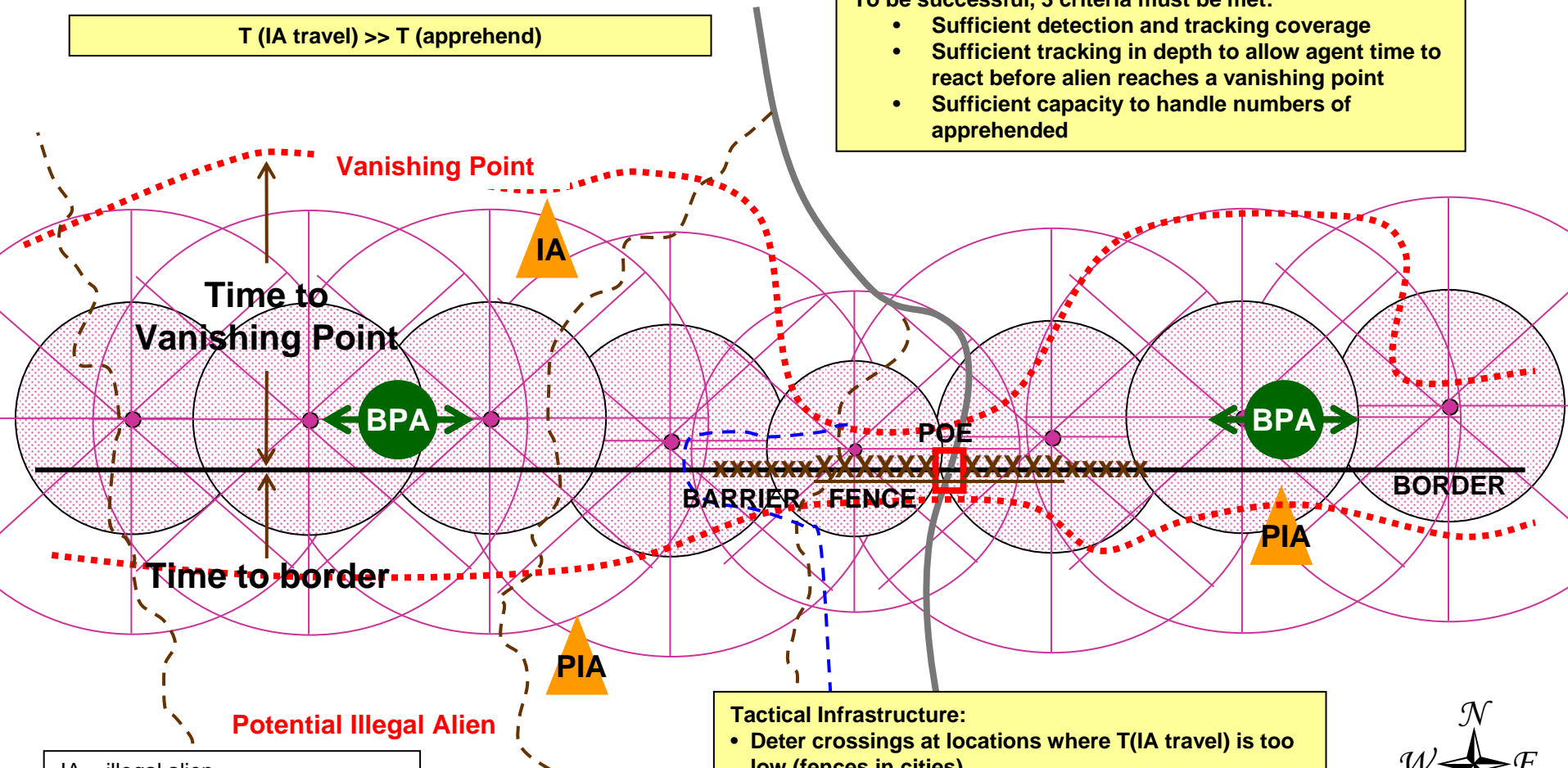


# Border Calculus

$T(\text{IA travel}) \gg T(\text{apprehend})$

To be successful, 3 criteria must be met:

- Sufficient detection and tracking coverage
- Sufficient tracking in depth to allow agent time to react before alien reaches a vanishing point
- Sufficient capacity to handle numbers of apprehended



IA = illegal alien  
PIA = potential illegal alien  
BPA = border patrol agent  
POE = port of entry  
IPB = intel preparation of the border

Tactical Infrastructure:

- Deter crossings at locations where  $T(\text{IA travel})$  is too low (fences in cities)
- Force crossings to move either on foot or around to open space (vehicle barriers) - increase  $T(\text{IA travel})$
- Speed the Border Patrol response (roads) - decrease  $T(\text{apprehend})$

